

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Promoting Investment in the 3550-3700 MHz)	GN Docket No. 17-258
Band)	
)	

Comments of Peoples Telephone Cooperative, Inc.

Peoples Telephone Cooperative, Inc. (“Peoples”), by its counsel, hereby submit these comments in response to the above captioned Notice of Proposed Rulemaking regarding possible changes to the Citizens Broadband Radio Service (“CBRS”) rules.¹ Peoples urges the Federal Communications Commission (“FCC” or the “Commission”) to maintain census tracts as the geographic license size for Priority Access Licenses (“PALs”). Any larger sized license would bar Peoples’, and other rural carriers’ ability to compete in the PALs auction. Peoples also supports a longer license term of at least five (5) years and preferably ten (10) years, with an expectation of renewal. Increasing the term will encourage investment, and will allow carriers a return on investment. If the Commission does increase the license terms, Peoples recommends imposing a build-out requirement to ensure no spectrum lies fallow.

I. Background

Peoples is a rural telephone cooperative that was formed in 1952 to provide telephone service to its 263 members in and around Wood County, Texas. Today, Peoples provides landline, high speed Internet and wireless services to over 3,000 members/subscribers in rural

¹ *In re* Promoting Investment in the 3550-3700 MHz Band; Petitions for Rulemaking Regarding the Citizens Broadband Radio Service, *Notice of Proposed Rulemaking and Order Terminating Petitions*, GN Docket No. 17-258 (rel. Oct. 24, 2017) (“CBRS NPRM”).

East Texas. In areas that are not served with its traditional DSL and landline services, Peoples offers fixed wireless broadband. Currently, Peoples provides fixed wireless broadband service to approximately thirty (30) site locations via its 3650 license.²

II. Maintain Census Tract Sized Licenses.

In the *Notice of Proposed Rulemaking*,³ the FCC sought comment on increasing the geographic licensing area of PALs to PEAs to stimulate investment in the band.⁴ The Commission asks what impact licensing PALs using PEAs would have on smaller entities, rural deployments and existing investments. Increasing the geographic license area of PALs from census tracts to Partial Economic Areas (“PEAs”) would unjustifiably favor large carriers to the detriment of small and rural carriers. If implemented, this proposal would foreclose Peoples’, and many other small carriers’, opportunity to participate in the PAL auction.

Peoples’ network, for example, covers portions of Wood County and Smith County in rural, East Texas. If the Commission were to change the geographic size of PALs to PEAs, Peoples would only be able to secure licensed 3.5 GH spectrum within its service area if it bid on PEAs that far exceeded the size of its service area. For example, to cover parts of Wood County and Smith County, Peoples would need to bid on PEA 144 and PEA 152, together of which, in addition to Wood County and Smith County, include: Camp County, Delta County, Fannin County, Franklin County, Gregg County, Harrison County, Hopkins County, Hunt County, Lamar County, Rains County, Red River County, Titus County, Upshur County, and Van Zandt County. Peoples would be priced out of an auction of these PEAs and Peoples’ members would

² Call Sign WQPH984.

³ See CBRS NPRM, ¶ 23.

⁴ See *id.*, ¶ 24.

be deprived of the fixed broadband solutions they currently enjoy via Peoples' 3650 license and the possibility of greater broadband access through the Citizen Broadband Radio Service ("CBRS").

On the other hand, maintaining census tract license areas would not preclude large carriers from participating in the PAL auction. Carriers with larger network footprints would have the ability to bid on multiple census tracts to cover an entire PEA. As the Commission emphasizes in its initial Order establishing CBRS,⁵ census tract license areas strike an appropriate balance by "promoting intensive and efficient use of the spectrum, but also allowing easy aggregation to accommodate a larger network footprint."⁶ Peoples also does not oppose the implementation of package bidding, which may further assist large carriers to acquire their desired footprint.

In the *Notice of Proposed Rulemaking*, the Commission notes that census tracts generally nest into counties, which in turn nest into PEAs.⁷ This nesting would enable larger carriers to combine their census tract sized PALs into the license size of their choice, whether it be counties or PEAs, or even Economic Areas. The converse, however, is not true. Small carriers cannot partition PEA sized PALs that they do not hold into smaller license sizes to tailor it to their network footprint. A large carrier that holds a PEA license will not be adequately incentivized to partition its license to provide small carriers with access to small, unserved or underserved areas. For many years, rural carriers have struggled with acquiring licenses from larger carriers.⁸ The

⁵ *In re* Amendment of the Commission's Rules with Regard to Commercial Operations in the 3550-365- MHz Band, *Report and Order and Second Further Notice of Proposed Rulemaking*, GN Docket No. 12-354 (Rel. Apr. 21, 2015).

⁶ *See id.*, ¶ 96.

⁷ *See* CBRS NPRM, ¶ 24.

⁸ *See, e.g.*, Comments of WISPA, GN Docket No. 12-354 (filed July 24, 2017) ("As has been the

fact that PALs may be partitioned does little to alleviate small carriers' concerns that, if the Commission increases the size of PALs to PEAs, PALs will be another set of licenses held almost exclusively by large, national carriers. Accordingly, Peoples requests that the Commission maintain census tracts as the geographic licensing area of PALs; or, in the very least, Peoples requests that the Commission not increase the licensing size to anything larger than counties.

III. Longer License Terms Will Encourage Investment in CBRS.

In the *Notice of Proposed Rulemaking*, the Commission sought comment on increasing the PAL license term from three years to ten years and appropriate performance requirements and renewal standards for PALs.⁹ Peoples supports a longer license term with an expectation of renewal so long as there are appropriate build-out requirements to prevent spectrum hoarding. Peoples agree with 5G Americas, AT&T and others that a longer, renewable license term will encourage investment in the 3.5 GHz band and reduce the risk of stranded investment.¹⁰ Based on Peoples' current business models, Peoples believes that a minimum term of five (5) years and maximum term of ten (10) years with an expectation of renewal would be sufficient to encourage investment with a potential for a reasonable return on investment. Peoples also believes that such amount of time should be sufficient for carriers to meet any imposed build-out requirements. Should the Commission increase the license size of PALs to PEAs, however, then

case historically, large carriers acquire licenses for large areas, build out in the urban core where the population is more dense, and warehouse spectrum in rural areas that could be used for broadband deployment.”).

⁹ See *id.*, ¶ 13.

¹⁰ See *id.*, ¶ 10 and note 26.

Peoples agrees with the concerns raised by WISPA and others that the larger license area combined with the longer term would make PALs economically viable only for large carriers.¹¹

IV. Conclusion

For the foregoing reasons, Peoples requests that the Commission maintain census tract size PALs, or, revise rules to increase the geographic license size of PALs to counties, at maximum; and increase the license term for PALs.

Respectfully submitted,

Peoples Communications, LLC



By: _____
Donald L. Herman, Jr.
Clare C. Liedquist
Herman & Whiteaker, LLC
6720B Rockledge Drive, Suite 150
Bethesda, MD 20817
Its Attorneys

December 28, 2017

¹¹ See *id.*, note 34.